CAG's Remarks on Southern AIR Command

*251. SHRI SOLIPETA RAMACHANDRA REDDY:
DR. ALLADI P. RAJKUMAR:

Will the Minister of DEFENCE be pleased to state:

(a) whether the Southern Air Command in fully operational;

(b) if not, the details thereof and the reasons therefor;

(c) the CAG's remarks in regard to lack of infrastructure and sanctioned force deployment; and

(d) the action taken to remove the deficiencies pointed out?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) The Southern Air Command (SAC) has not been developed fully as per Government approval given in 1984. However, the SAC is capable of conducting full range of air operations, if required, by re-location of resources from other Commands.

(b) The operational need for deployment of Air Force assets in other important sector has put development of SAC in a deferred state of priority. It is being developed in stages.

(c) and (d) Necessary infrastructure will be developed after acquisition of land which is in progress.

Counter-Guarantee Agreement with Private Sector Firms

†*252. SHRI MOOLCHAND MEENA: Will the Minister of POWER be pleased to state:

(a) whether the Central Government and the State Governments have signed an agreement with private sector power producing firms for purchase of power and whether the Central Government have also signed a counter-guarantee agreement with one of these private firms;

(b) if so, the details thereof; and

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†Original notice of the question was received in Hindi.

(c) the reasons for signing such agreements with the private firms?

THE MINISTER OF POWER (SHRI P.R. KUMARAMANGALAM): (a) to (c) The Power Purchase Agreement (PPA) is a contract between the State Electricity Board (SEB) and the Independent Power Producer (IPP) in which the modalities for purchase/sale of power and allocation of various risks are negotiated between the two parties. The Central Government has not signed any PPA with any IPP.

Government of India (GoI) announced a power policy in 1991 aimed at encouraging the flow of private capital to the power sector. This was due, among other reasons, to insufficient resource generation and dwindling budgetary support in the face of very large investment requirements in the power sector. To instil confidence among the private power developers, GoI considered issuing counter guarantees to private power projects that were identified as developing rapidly. This counter guarantee was a financial comfort to the investors that, in case the SEBs failed to pay for the power purchased from private generators in accordance with the PPA and the State Government thereafter did not honour its guarantee, GoI would make payments and deduct the sum from the Central devolution to the State.

The GoI counter guarantee schemes was developed as a transitory measure to encourage private investment and it was decided in 1994 to extend GOI counter guarantee to the following eight initial projects that had been cleared for bringing in foreign investment in the power sector:

S. No.	Name of the Project	Capacity (MW)	Estimated completed cost (as per techno-economic clearance given by CEA)
1.	Visakhapatnam Thermal Power Project, Andhra Pradesh	1040	US$ 943.75 million + Rs. 1324.993 crores (@ 1 US$=Rs. 35.00)

S. No.	Name of the Project	Capacity (MW)	Estimated completed cost (as per techno-economic clearance given by CEA
2.	Neyveli (Single Unit Lignite based) Thermal Power Project, Tamil Nadu.	250	US$ 261.59 million + Rs. 501.10 crores (@ 1 US$=Rs. 31.50)
3.	Mangalore Thermal Power Project, Karnataka	1013.2	US$ 751.574 million + Rs. 1580.89 crores (@ 1 US$=Rs. 31.50)
4.	Bhadravati Thermal Power Project, Maharashtra	1082	Rs. 5187 crores.
5.	Ib Valley Thermal Power Project, Units A&B, Orissa	500	US$ 326.02 million + Rs. 983.90 crores (@ 1 US$=Rs. 42.50)
6.	Jegurupadu Combined Cycle Gas Turbine, Andhra Pradesh	216	Rs. 827 crores
7.	Godavari Combined Cycle Gas Turbine, Andhra Pradesh.	208	Rs. 748.43 crores
8.	Dabhol Combined Cycle Gas Turbine, Phase-I, Maharashtra	740	Rs. 9051.27 crores (includes cost of Phase-II of the Project)

Counter Guarantee of Government of India has been extended to Jegurupadu combined Cycle Gas Turbine (216 MW) of M/s GVK Industries Limited, Ib Valley Thermal Power Project (500 MW) of Ib Valley Power Private Limited and Dabhol Combined Cycle Gas Project (Phase-I) (740 MW) of M/s Dabhol Power Company. M/s Spectrum Power Generation Limited withdraw their request for counter guarantee for their 208 MW Godavari Combined Cycle Gas Turbine in Andhra Pradesh.

On 16.5.1998, the Government approved extension of counter-guarantee in the case of the Visakhapatnam Thermal Power Project (1040 MW) of M/s Hinduja National Power Company Limited (HNPCL) in Andhra Pradesh, Bhadravati Thermal Power Project (1082 MW) of M/s Central India Power Company (CIPCO) in

Maharashtra and the 250 MW single unit lignite based Neyveli Thermal Power Project of M/s ST-CMS Electric Company in Tamil Nadu, through a revised procedure. Government of India counter-guarantee to these projects have been issued in August, 1999.

The Ib Valley project was re-negotiated by the Government of Orissa before construction could commence and, therefore, techno-economic clearance was issued afresh to this project on 26.2.1999. Issue of Counter Guarantee of Government of India was approved in the case of this project and the Mangalore thermal Power Project of M/s Cogentrix Energy Inc., on 22.12.1999.

Mirage Manufacturing Industry

*253. SHRI K. KALAVENKATA RAO:
SHRI YADLAPATI VENKATRAO:

Will the Minister of DEFENCE be pleased to state:

(a) whether France proposes to set up a Mirage manufacturing industry in India;

(b) if so, the details thereof; and

(c) the cost of the proposed Mirage to be purchased by India?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) No, Sir.

(b) and (c) Do not arise.

Appointments in Delhi Police on Compassionate Grounds

*254. SHRI GANDHI AZAD: Will the Minister of HOME AFFAIRS be pleased to state:

(a) the number of persons appointed on compassionate grounds in Delhi Police during the last three years, category-wise;

(b) the number of applications received during the last three years and the number of SCs/STs among them; and